

APPROVED CONTINGENCY FUND FOR COVERT ACTION CHILE, STATION

PREPARED MEMO WHICH CONTAINED ALL INFO IN PARA G (COSTS)

OF THE MEMORANDUM FORWARDED SINCE HE WAS PRESSED

FOR TIME HE DID NOT FOCUS VERY LONG ON SUBJECT OR PRESS

FOR DETAILS. HE DID SAY THAT AMOUNT SET ASIDE FOR

WAS TOO LOW. COS SAID THAT AMOUNTS IN EACH CATEGORY ONLY

ESTIMATES AND GUIDES AND PROBABLY COULD BE SHIFTED AROUND.

AMBASSADOR SAID WE NEEDED TO HAVE A DEFINITE PROGRAM OF

WHAT WE PLAN TO DO. HE ASKED THAT THIS BE WORKED OUT WITH

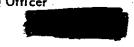
THE DCM DURING HIS ABSENCE. RATHER THAN PURSUE MATTER FURTHER

COS AGREED.

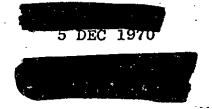


Declassified and Approved for Release July 2000

Releasing Officer



classification



Form 2220 USE PREVIOUS EDITIONS

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PLAN PREPARE OVERALL DRAFT PROGRAM SOONEST FOR DISCUSSION WITH DCM. UNLESS LATTER OBJECTS, PLAN INCLUDE IN THESE DISCUSSIONS.

BELIEVE HIS KNOWLEDGE OF LOCAL POLITICAL SCENE WILL BE VERY HELPFUL IN COMING UP WITH GOOD OVERALL PROGRAM.



HE DREW CORRECT CONCLUSION CONCERNING NATURE OUR INVOLVEMENT IN THAT OP.

- WILL USE THIS OPPORTUNITY TO REGULARIZE AS MUCH OF OUR ON-GOING ACTIVITY AS POSSIBLE INSOFAR AS GETTING EMBASSY CONCURRENCE OF THEM WHILE BEARING IN MIND, INSTRUCTIONS FORWARDED IN REF C.
- SINCE WE HAVE A NEW SITUATION FROM THAT WHICH CAUSED AMB TO OBJECT TO ITS TOOK ADVANTAGE OF OPENING GIVEN HIM BY AMB TO RAISE ISSUE OF RENEWING FINANCIAL SUPPORT TO IT. AMB

RECOGNIZED THAT IN THIS NEW SITUATION

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HELPFUL AND WOULD BE IN F AVOR OF SUPPORTING IT

IF PRESENT ATTEMPT TO INTEREST

FAILS, STATION PLANS TRY SELL IDEA TO SUPPORT
FOR WOULD BE INCLUDED IN ANY OVERALL PACKAGE OF
SUPPORT PROVIDED TO THAT PARTY. WE BELIEVE MXKHX

APT SURVIVE UNDER UMBRELLA OF POLITICAL PARTY THAN ANY OTHER

ARRANGEMENT.

SINCE ONE OF CONDITIONS OF OUR SUPPORT TO PN AND
THE
PDC WILL BE TO MUTE X INSOFAR AS POSSIBLE/OPEN HOSTILITY
BETWEEN THESE PARTIES, MAY BE ABLE GET OUT A WHICH WILL BE
ACCEPTABLE TO AMB. PLAN INCLUDE THIS PROPOSAL IN OUR DRAFT
PROGRAM TO BE DISCUSSED WITH DCM AND POL COUNSELOR.

6. ADVISE TO WHAT EXTENT FUNDS WITHIN EACH CATEGORY LISTED IN PARA 6 OF CAN BE SHIFTED PROVIDED WE STAY WITHIN OVERALL AUTHORIZATION.

END OF MESSAGE

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